

Introduced by Senator Hernandez

February 18, 2011

An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10177.15 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 690, as introduced, Hernandez. Health care coverage: discrimination.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits certain discriminatory acts by health care service plans and health insurers.

This bill would prohibit a health care service plan contract or health insurance policy that is issued, amended, renewed, or delivered on or after January 1, 2014, from discriminating against any health care provider who is acting within the scope of that provider's license, as specified.

Because a willful violation of the bill's provisions relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1373.15 is added to the Health and Safety
2 Code, to read:
3 1373.15. (a) No health care service plan contract that is issued,
4 amended, renewed, or delivered on or after January 1, 2014, shall
5 discriminate with respect to provider participation or coverage
6 under the plan against any health care provider who is acting within
7 the scope of that provider's license or certification.
8 (b) Notwithstanding subdivision (a), this section shall not be
9 construed to require that a health care service plan contract with
10 any health care provider willing to abide by the terms and
11 conditions for participation established by the plan or issuer.
12 (c) Nothing in this section shall be construed as preventing a
13 health care service plan from establishing varying reimbursement
14 rates based on quality or performance measures.
15 SEC. 2. Section 10177.15 is added to the Insurance Code, to
16 read:
17 10177.15. (a) No health insurance policy that is issued,
18 amended, renewed, or delivered on or after January 1, 2014, shall
19 discriminate with respect to provider participation or coverage
20 under the policy against any health care provider who is acting
21 within the scope of that provider's license or certification.
22 (b) Notwithstanding subdivision (a), this section shall not be
23 construed to require that a health insurer contract with any health
24 care provider willing to abide by the terms and conditions for
25 participation established by the insurer or issuer.
26 (c) Nothing in this section shall be construed as preventing a
27 health insurer from establishing varying reimbursement rates based
28 on quality or performance measures.
29 SEC. 3. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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